

Chapter 5

Quarterly Disclosure Reports

Lobbyists, lobbying firms, lobbyist employers, lobbying coalitions, and \$5,000 filers must file quarterly disclosure reports. This chapter reviews the common issues associated with completing the quarterly statements.

There are four different quarterly reports: Lobbyist Report, Form 615; Report of Lobbying Firm, Form 625; Report of Lobbyist Employer and Report of Lobbying Coalition, Form 635; and, Report of Person Spending \$5,000 or More to Influence Legislative or Administrative Action, Form 645. Although there are four different forms, the disclosure provisions are similar and, therefore, have been summarized into general guidelines. Following the “General Guidelines” section is a discussion of those issues that are unique to each form.

General Guidelines

When and Where to File

Reports are due at the end of the month following the end of each calendar quarter. Reports must be filed for each calendar quarter, regardless of the level of activity.

Exception: \$5,000 filers are only required to file a report for each calendar quarter in which they spend \$5,000 or more to influence legislative or administrative action. This amount does not include “activity expenses.” (See Page 4-1 for a definition of activity expenses.)

Most lobbying filers must file quarterly reports electronically or online, although some may be required to file on paper (an original and one copy). (See Chapter 2 for guidance.) All reports are filed with:

Secretary of State
Political Reform Division
1500 11th Street, Room 495
Sacramento, CA 95814

Reporting Period

The period covered on each report is the entire calendar quarter. The “cumulative period” begins with January 1 of the current biennial legislative session. (Legislative sessions begin in odd-numbered years.)

Exceptions:

- For a person who qualifies as a lobbying firm or lobbyist employer/lobbying coalition after the first quarter of the current legislative session, the cumulative period begins with the first day of the calendar quarter in which the lobbying entity qualified.
- For a \$5,000 filer, the cumulative period is the first day of the calendar quarter in which the \$5,000 filer qualified.

Record Retention

Records and substantiating documents must be retained for a period of five years following the date of the filer’s final report for that calendar year. (See Chapter 6.)

Legislative or State Agency Administrative Action “Actively” Lobbied

Report only those legislative or administrative actions that were “actively lobbied” during the quarter. An action has been “actively lobbied” if a partner, owner, officer, or employee of the filer, or a lobbying firm with which the filer has contracted, has either engaged in direct communication, or been directed by the filer to engage in direct communication with a qualified official for the purpose of influencing the action on behalf of the filer. (See Chapter 1 for the definitions of “direct communication,” and “legislative or administrative action.”) When listing state administrative action, provide the name of

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the state agency or department. In lieu of bill numbers and regulation numbers, a specific description of each legislative or administrative action actively lobbied during the quarter may be provided.

Do not list bills or administrative actions that:

- Have died prior to the reporting period;
- Are only being watched or monitored; or
- The lobbyist employer/lobbying coalition has not attempted to influence during the calendar quarter.

Activity Expenses

Itemize all activity expenses that were incurred or arranged during the quarter, regardless of whether they were actually paid during the calendar quarter. An activity expense reported on a previous quarterly report as incurred need not be reported again when actual payment is made.

An itemized activity expense must include the date, name and address of payee, name and position of each reportable person and a description of the expense (e.g. reception, flowers). Disclose the amount of benefit for each reportable person and the total amount of the activity. Do not list employees or members of the lobbyist employer/lobbying coalition or other non-reportable individuals.

Lobbying firms must report activity expenses reimbursed by a lobbyist employer/lobbying coalition that contracts with the lobbying firm.

Notes:

- Do not attach copies of invoices, credit card receipts, or checks to the statement. Such documents should be kept in the recordkeeping file.
- When an activity expense is shared, list the filer's payment in the "Total Amount of Activity" column. Indicate in a note the total cost of the activity expense and that the cost was shared by others.

- When an activity expense is charged to a credit card, report both the credit card company and the vendor.
- When an activity expense is paid by a lobbyist employer's or lobbying firm's sponsored recipient committee, the expense must be reported on the quarterly report as though it were made by the filer directly. In addition, if a subsidiary of a filer pays for an activity expense on the filer's behalf, the filer must report the payment.



See Chapter 4 for more information on activity expenses.

Prohibited Campaign Contributions

Lobbyists and lobbying firms are prohibited from making certain contributions. (See Chapter 7.)

Campaign Contributions Disclosure

Lobbyists, lobbying firms, lobbyist employers/lobbying coalitions, and \$5,000 filers must disclose all contributions made that total \$100 or more during the calendar year to state candidates, elected state officers, their controlled committees (including controlled ballot measure committees), and committees primarily formed to support or oppose such officers or candidates. (Do not report contributions to federal candidate committees.) Report the date of the contribution, the name of the recipient, the recipient's committee identification number, if applicable, and the amount of the contribution.

Form 635 Part B			
B. Contributions of \$100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.			
Date	Name of Recipient	I.D. Number if Committee	Amount
5/15	Shawna Overland for State Senate	120663	\$ 1,000
5/15	Carlton Kennedy for Governor	1205101	2,500

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84206, et seq.

If a lobbyist, lobbying firm, or lobbyist employer/lobbying coalition makes a contribution prior to qualifying as a lobbying filer, but within the same calendar quarter of registering to lobby, the filer must disclose the contribution.

Example *In January 2004, Emily Browiski made a contribution from her personal funds to State Senator Karl Najimy's local committee for mayor. In March 2004, Emily became a lobbyist registered to lobby the Legislature. Because Senator Najimy is an elected state officer, Emily must report the contribution on her Form 615 for the first quarter of the year. (As a lobbyist, Emily is prohibited from making future contributions to a state or local committee controlled by the Senator.) Later that year, Emily made a personal contribution to a candidate for Attorney General. This contribution was permissible because Emily does not lobby the Department of Justice. Nevertheless, if the contribution was \$100 or more, it must be reported.*

If all of the contributions made during the quarter by the lobbying firm, lobbyist employer/lobbying coalition, \$5,000 filer, or by its sponsored committee are reported on a campaign disclosure statement required under Government Code section 84200 et seq. (e.g., Form 460 or 461), which is on file with the Secretary of State, identify the name of the committee and, if applicable, the committee's identification number. It is not necessary to itemize these contributions.

QuickTIP If a lobbying firm, lobbyist employer/lobbying coalition, \$5,000 filer, or a sponsored committee of one of these filers has made a late contribution to a state candidate or officeholder within a calendar quarter, but has not yet filed the corresponding campaign disclosure statement (e.g., Form 460 or 461) with the Secretary of State, the late contribution

should be reported on the quarterly lobbying statement, even if a Late Contribution Report, Form 497, has been filed.

Delivering Contributions

Contributions may not be personally delivered in the State Capitol, in any state office building, or in any office for which the State of California pays the majority of the rent. The only exception to this prohibition is a legislative district office. "Personally delivered" includes the delivery of a copy or facsimile of a contribution, and the original or a copy of a contribution transmittal letter. "Personally delivered" does not include contributions sent through the mail.

Lobbyists must report contributions they make during the calendar quarter that total \$100 or more in the calendar year and those that they personally deliver to state candidates or elected state officers, regardless of the source of the contribution. However, contributions delivered for a lobbyist employer or another person need not be reported by the lobbyist unless the lobbyist personally delivers the contribution to the candidate or officeholder, or to the candidate/officeholder's treasurer or agent, in the candidate/officeholder's presence and with their knowledge.

Example *Luisa Torres is an in-house lobbyist for Campbell Trucking Company. On the company's behalf, Luisa delivers a campaign contribution to Senator Debbie Mizuki's reelection campaign headquarters. The Senator is not present, so Luisa gives the contribution to the campaign committee's treasurer. Since the contribution was not from Luisa, nor was it personally delivered to the Senator or in the Senator's presence and with her knowledge, Luisa is not required to report the contribution on her Lobbyist Report, Form 615.*

Question & Answer

- Q. *May a lobbyist attend a fundraiser if the ticket is paid in full by a lobbyist employer?*
- A. Yes. A lobbyist may attend a fundraiser as long as the lobbyist's personal funds or assets are not used to pay for the ticket. See FPPC regulation 18572 for restrictions.

Verification

In the case of the lobbyist report, Form 615, the paper report must be signed by the lobbyist. If the lobbyist is not available to sign the report on or before the filing deadline, an agent of the lobbyist may sign the report. The agent should attach a note stating that, as soon as the lobbyist is available, he or she will sign the report and an amendment with the proper signature will be filed.

In the case of the lobbying firm report, Form 625, the paper report must be verified and signed by the individual who is designated on the lobbying firm's registration statement as the responsible officer of the lobbying firm. If the designated responsible officer is not available to sign the report on or before the filing deadline, another responsible officer of the lobbying firm or an attorney or certified public accountant may sign the report. An explanatory note should be attached stating that, as soon as the designated responsible officer is available, he or she will file an amendment with the proper signature.

In the case of the lobbyist employer/lobbying coalition report, Form 635, and \$5,000 Filer report, Form 645, the verification must be signed by a responsible officer, or by an attorney or a certified public accountant who acts as an agent for the entity or organization. The same individual is not required to sign all statements.

Amendments to Disclosure Reports

To amend information disclosed on a lobbying disclosure report, e.g. Form 615, 625, 630, 635, 635-C, 640, or 645, file an Amendment to Lobbying Disclosure Report, Form 690. (For more information, see page 5-14.)

Quarterly Report and Attachments

The following section provides instructions and examples for completing the four quarterly reports: Forms 615, 625, 635, and 645. The attachment forms, Forms 640, 635C, and 630, are reviewed immediately following the Form 635, since these are the most commonly used attachments for this form. The form to amend the quarterly reports, Form 690, concludes the chapter.

Lobbyist Report, Form 615

A lobbyist must identify his or her name and address, and disclose activity expenses and campaign contributions.

All "activity expenses" arranged, incurred, or paid by the lobbyist must be itemized during the period in which they occurred regardless of whether they were actually paid during the period. When reporting under the "Name and Official Position of Reportable Person and Amount Benefiting Each," neither the lobbyist nor any other person who is not a reportable person is required to be listed. However, the total number of persons who benefited must be kept in the lobbyist's records. When reporting under the "Total Amount of Activity," the total amount paid, arranged, or incurred for the activity must be reported, not just the amount benefiting reportable people.

Form 615
Part I

PART I - ACTIVITY EXPENSES PAID, INCURRED, ARRANGED OR PROVIDED BY THE LOBBYIST (See definitions and instructions on reverse.)					
<input type="checkbox"/> I have reviewed the form and instructions for reporting Activity Expenses and I have nothing to report.					
Date	Name and Address of Payee	Name and Official Position of Responsible Person and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
5/2	See's Candy 1009 L Street Sacramento, CA 95814	Amanda Burr Senator Black's Daughter	\$ 15.00	Candy	\$ 15.00
6/5	The River Eatery 400 Front Street Sacramento, CA 95814	Cecil Prakash Senator	6.00	Cocktail	24.00

The completed Form 615 must be submitted to the lobbyist's employer or lobbying firm for filing within two weeks following the end of each calendar quarter.

If a lobbyist changes employers in the middle of a quarter, the lobbyist will file two Form 615s: one covering the period with the former employer and one covering the period with the new employer.

Report of Lobbying Firm, Form 625

A lobbying firm must file Form 625. In addition, a Form 615, completed by each partner, owner, officer, or employee of the lobbying firm who qualifies as a lobbyist also must be filed. A lobbying firm that is a member of a lobbying coalition must also include Form 630, Payments Made to Lobbying Coalitions, with its quarterly Form 625.

Partners, Owners, Officers, and Employees Who Engaged in Direct Communication

If no partner, owner, officer, or employee of the firm qualifies as a lobbyist, list the name and title of each partner, owner, officer, or employee of the lobbying firm who, **on at least five separate occasions during the quarter, engaged in direct communication** with any elected state official, legislative official, or agency official for the purpose of influencing legislative or administrative action. Do not include employees whose actions were solely clerical.

Payments Received in Connection With Lobbying Activity

List the name, address, and telephone number of each lobbyist employer/lobbying coalition on whose behalf the lobbying firm is registered to lobby whether or not the firm has received a payment from the client during the calendar quarter.

If a payment for a client is received from another source (e.g., a public relations firm, or administrative services company), the lobbying firm must report both entities.

If a lobbying firm receives a payment in connection for lobbying on behalf of another lobbying firm's client, the lobbying firm receiving the payment must report the other lobbying firm and the client.

Form 625
Part II

PART II - PAYMENTS RECEIVED IN CONNECTION WITH LOBBYING ACTIVITY (Amounts may be rounded off to whole dollars. See instructions on reverse.)					
Employer's Name, Address and Telephone Number City of Rolling Hills Estates 4045 Palos Verdes Drive North Rolling Hills Estates, CA 90274 (310) 377-1577 Legislative or State Agency Administrative Actions "Actively" Lobbied During the Period: (See instructions on reverse.) SB 160 AB 12					
Fees and Retainers	Reimbursements of Expenses	Advances or Other Payments (attach explanation)	Total This Period	Cumulative Total to Date	
\$ 2,500	\$ 175*	\$ - 0 -	\$ 2,675	\$ 4,675	
Employer's Name, Address and Telephone Number California Electricity Distributors 55 Capitol Mall, Suite 900 Sacramento, CA 95814 (916) 441-5500 Legislative or State Agency Administrative Actions "Actively" Lobbied During the Period: (See instructions on reverse.) PUC rulemaking re: establishment of electrical rates charged to commercial entities.					
Fees and Retainers	Reimbursements of Expenses	Advances or Other Payments (attach explanation)	Total This Period	Cumulative Total to Date	
\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 3,500	
Employer's Name, Address and Telephone Number Alvarez, Greene, Ho & Douglass 1127 11th Street, Suite 1020 Sacramento, CA 95814 (916) 441-6010 On behalf of its client: Four Mesas Municipal Water Dist. 5000 Indio Blvd. Indio, CA 92203 (760) 861-1220 Legislative or State Agency Administrative Actions "Actively" Lobbied During the Period: (See instructions on reverse.) Dept. of Water Resources Reg. #12931					
Fees and Retainers	Reimbursements of Expenses	Advances or Other Payments (attach explanation)	Total This Period	Cumulative Total to Date	
\$ 900	\$ - 0 -	\$ - 0 -	\$ 900	\$ 2,700	
SUBTOTAL			\$ 3,575		

☐ If more space is needed, check box and attach continuation sheets.
*For services performed during 1/1/05-3/31/05

Lobbying firms must identify clients that make payments for and direct their lobbying activity. For more information on corporate clients and their subsidiaries, see Chapter 3.

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Fees and Retainers

If a lobbying firm provides services other than lobbying (e.g., legal or administrative services) to a client on whose behalf the firm is registered to lobby, only report payments received for lobbying-related activities.

It is not necessary to disclose payments for initiative-related or legislative-related services (e.g., bill monitoring) on issues for which the lobbying firm has not been authorized to directly communicate with legislative or agency officials. However, a lobbying firm must retroactively report payments received for initiative-related and legislative-related services if, within one year of receiving such payments, the firm is authorized to lobby on the same or substantially the same matter. The nature of the payment and the date the firm was authorized to lobby must be noted. Regulation 18624 (Reportable Lobbying Services) provides guidance on this reporting requirement.

Reimbursement of Expenses

If reimbursement is received for expenses incurred in a prior quarter, indicate in a footnote during which calendar quarter the expenses were incurred.

Payments Made in Connection With Lobbying Activities

Activity Expenses Arranged, Incurred, or Paid by the Lobbying Firm

Itemize activity expenses arranged, incurred, or made on behalf of the firm by individuals in the lobbying firm, other than a registered lobbyist. The total of these payments is reported in Part III, Section A. 2. If a lobbyist incurs or makes an activity expense, the lobbyist should itemize the expenses on his or her Form 615.

If a client later reimburses the lobbying firm, report the reimbursement in Part II. Do not itemize activity expenses paid or incurred by

a salaried lobbyist that were merely reimbursed by or charged to an account paid by the firm.

Form 625 Part III, Section A

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES					
SECTION A: ACTIVITY EXPENSES (See instructions on reverse.)					
1. ACTIVITY EXPENSES ARRANGED, INCURRED, OR PAID BY THE LOBBYING FIRM (OTHER THAN THOSE PAID OR INCURRED BY A LOBBYIST)					
Date	Name and Address of Payee	Name and Official Position of Reportable Person and Amount Benefiting Each	Description of Consideration	Total Amount of Activity	
4/20	Capital Cafe 440 Capital Mall Sacramento, CA	Senator Guy Walsh	\$ 8.50	Breakfast	\$ 40.00

Payments Made to Other Lobbying Firms

If the lobbying firm subcontracts with another lobbying firm to lobby on behalf of a client, payments to the subcontracting firm are itemized in Part III, Section B.

Form 625 Part III, Section B

PART III - PAYMENTS MADE (Continued)			
SECTION B: PAYMENTS MADE TO OTHER LOBBYING FIRMS			
Name, Address and Telephone Number of Firm Contracted With	Name of Employer or Client for Whom Subcontractor was Retained to Lobby	Amount This Period	Cumulative Total to Date
Government Insiders 600 N Street, Suite 2401 Sacramento, CA (916) 929-8844	California Electricity Distributors	\$ 500	\$ 500

Questions and Answers

- Q. *Is the responsible officer of the lobbying firm the only person who may sign the Report of Lobbying Firm, Form 625?*
- A. Yes. The report must be verified and signed by the individual who is designated on the lobbying firm's registration statement.

Q. *Is a lobbying firm required to list lobbying clients that have not made payments to the firm during the calendar quarter covered by the report?*

A. Yes. The lobbying firm must list the name, address, and telephone number of each of its clients on whose behalf the lobbying firm is registered to lobby, whether or not the firm has received a payment from the client.

Q. *Must a lobbying firm report payments from clients contracting only for bill tracking services?*

A. No. Lobbying firms are only required to report payments from persons who pay the firm to engage in direct communication for the purpose of influencing legislative or administrative action.

Q. *When are fees and retainers reported?*

A. A lobbying firm must report receipt of a client's fee or retainer on the report covering the calendar quarter in which the payment was received. If the payment was for services provided in a prior calendar quarter, indicate on the report the quarter in which services were provided.

Q. *A lobbying firm purchased 10 tickets to a charitable (501(c)(3)) organization's fundraiser. The firm gave some of the tickets to legislative staff members. Do these tickets to reportable persons need to be disclosed as an activity expense?*

A. No. A ticket to a fundraising event of an organization established under IRS code 501(c)(3) has no value under FPPC regulation 18946.4, and is therefore not an activity expense.

Report of Lobbyist Employer and Report of Lobbying Coalition, Form 635

Form 635

NAME OF FILER: City of Rolling Hills Estates			
BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)
4045 Palos Verdes Drive North	Rolling Hills Estates	CA	90274
TELEPHONE NUMBER: (310) 377-1577			
PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD (See instructions on reverse.)			
SB 160 AB 12 Dept. of Housing and Community Development Reg. #1057			

If the organization or entity employs an in-house lobbyist, Form 615 must be filed by the lobbyist in addition to the Form 635. In addition, if the lobbyist employer is a member of a lobbying coalition or is a lobbying coalition, Form 630 or Form 635-C is also required to be filed. All governmental entities must also complete Form 640, which requires additional itemization of the agency's general expenses for lobbying. Forms 630, 635-C, and 640 are reviewed below.

Part III of Form 635. Payments Made in Connection With Lobbying Activities

In Section A of Part III payments to in-house lobbyists are disclosed. Such payments include:

- Salaries. Salary includes gross wages paid, plus any fringe benefits that are in lieu of wages, such as the granting of stock options or purchase of annuities. Salary does not include routine fringe benefits, such as the employer's contributions to a health plan, retirement plan, or payroll taxes;
- Reimbursements of expenses (including activity expenses);
- Advances for expenses or salary; and
- Any other payments made directly to the lobbyist(s).

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Important Notes:

- Do not include payments made directly to a vendor for lobbying expenses of an in-house lobbyist (e.g., automobile lease agency, restaurant, credit card company, membership club). Such payments are reported under “Other Payments to Influence,” Part III, Section D. 2.
- If an in-house lobbyist performs duties other than lobbying, only report the portion of his or her salary and expenses allocated to lobbying. (See Chapter 6 for instructions on how to allocate lobbying expenses.)

Part III Section B. Payments to Lobbying Firms (Including Individual Contract Lobbyists)

Payments to lobbying firms are reported in Section B of Part III. If a lobbying firm provides services other than lobbying, only report payments for lobbying-related activities. List each lobbying firm authorized to lobby on behalf of the lobbyist employer/coalition, even if no payments to the firm have been made during the period covered by this report.

Form 635 Part III, Sections A and B					
PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES					
A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS (See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)		(1) Amount This Period	(2) Cumulative Total To Date		
		\$ 4,500	\$ 9,000		
B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)					
Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
Governmental Relations Management 921 J Street, Suite 780 Sacramento, CA 95814	1,000	150	- 0 -	1,150	1,250

Part III Section C. Activity Expenses

Lobbyist employers must report activity expenses they make, as well as activity expenses paid by their sponsored campaign committees in Section C of Part III.

Example The PAC for California Dairy Association, a lobbyist employer, pays for a dinner for a legislative official and his spouse. The PAC reports the payment as an expenditure and the Dairy Association reports the payment as an activity expense on its Form 635.

Do not list activity expenses paid or incurred by a salaried lobbyist that were merely reimbursed by or charged to an account paid by the lobbyist employer/lobbying coalition. Such activity expenses are itemized on the lobbyist's Form 615 and reported as an overhead expense on the Form 635.

Example At a lunch meeting with a Social Services Department official, in-house lobbyist Ron McPherson charged sandwiches and beverages on his employer's credit card. Ron must itemize the activity expense on his Form 615. His employer must include the payment in Part III Section D “Other Payments” on the Form 635.

The lobbyist employer's disclosure of reimbursements for expenses incurred by an in-house lobbyist depends on how the expenses were paid:

- If payment is made directly to the lobbyist, the amount is reported on the Form 635 in Part III, Section A.
- If the lobbyist charges an expense to an account for which a direct payment is made by the employer to the credit card company or vendor, the amount is reported on the Form 635 in Part III, Section D.

Lobbyist employers must itemize costs associated with events that are activity expenses (e.g., a legislative reception). If a lobbyist employer shares the costs of a reception or similar event, list the lobbyist employer's payment in the total amount of

activity column. Indicate in a note the total cost of the activity and that the cost was shared by others. (See Chapter 4 for more information on activity expenses.)

Form 635 Part III, Section C				
C. ACTIVITY EXPENSES (See instructions on reverse.)				
Date	Name and Address of Payee	Name and Official Position of Requesting Person and Amount Benefiting Each	Description of Consideration	Total Amount of Activity
4/20	Sheraton Hotel 1328 J Street Sacramento, CA 95814	Senator Chris Deguzman Legislative Staffer Carolyn Aalstad	\$ 7.00 7.00	Cocktails 34.00
6/28	Torrance Hilton 18495 Hawthorne Blvd. Torrance, CA 90205	Sen. Dan McColough Sen. Kate Sprang Assem. Curt Imai Assem. Seth Jones	35.00 35.00 35.00 35.00	Reception 500.00*
*Total Cost: \$1,000, of which the city paid 50%. For gift limit purposes, each reportable person received a gift of \$17.50 from the city.				

Part III Section D. Other Payments to Influence Legislative or Administrative Action

Filers that are governmental agencies do not complete this section, but must use Form 640 instead. (See page 5-11.) In this section, all other filers report:

- Payments made to a lobbying coalition.
- Compensation paid to non-lobbyist employees who spend 10 percent or more of their compensated time in any one calendar month in connection with lobbying activities. This would include time spent by non-lobbyist employees engaging in or urging others to engage in direct communication, and providing research services and preparing materials to be used in direct communication or in connection with soliciting or urging others to engage in direct communication.

Compensation includes gross wages paid plus any benefits which are in lieu of wages (e.g., granting of stock options or the purchase of annuities). It does not include routine fringe benefits, such as the employer's contributions to a health plan, retirement plan, or payroll taxes.

Exception: Compensation paid to an employee whose duties are solely clerical, manual, or are limited to the compilation of

data or statistics is not required to be reported.

Examples *Pattie Pinkerton, a non-lobbyist employee of a lobbyist employer, spent 75% of her time performing secretarial duties for the lobbyist that included tracking the status of legislation and administrative regulations. She did not provide analytical support to the lobbyist. Pattie's salary is not reportable.*

During the first quarter of 2005, Marvin Javin, a non-lobbyist employee of a lobbyist employer, spent 30% of his time preparing testimony for the lobbyist to present and 20% of his time providing clerical services involving the employer's legislative program. Fifty percent of Marvin's salary must be reported in the "Other Payments" section.

- The payment of expenses incurred by a lobbyist but not paid directly to the lobbyist (e.g., a direct payment to a credit card company).
- The payment of expenses incurred for goods or services used by a lobbyist or used to support or assist a lobbyist in connection with his or her activities as a lobbyist, such as legislative bill service, periodicals, automobile lease.

Exception: It is not necessary to report the costs of research (e.g., books, surveys, studies, reports) that was undertaken for solely non-lobbying purposes even if the research is later used in lobbying-related communications.

- The payment of any other expenses that would not have been incurred but for the filer's activities to influence or attempt to influence legislative or administrative action, including office overhead and operating expenses, payments to expert witnesses, and expenses incurred by employees other than a lobbyist.

Example *Tony Malone is the General Counsel and lobbyist for the Alliance for Public Schools. On one day, he incurred travel expenses to attend a meeting during which two hours were spent on legislative business and two hours on non-legislative business. These expenses were charged to his employer's credit card. For reporting purposes, the travel expenses (transportation, lodging and subsistence) may be allocated between the legislative and non-legislative activities.*

- Payments in connection with soliciting or urging persons other than employees to enter into direct communication with a reportable person for the primary purpose of influencing legislative or administrative action.

Example *The Alliance for Public Schools sends a special mailing asking readers to call their legislators and request a "yes" vote on Assembly Bill 1010. Also included in the mailing is non-legislative material. For reporting purposes, any reasonable allocation method made in good faith may be used to determine the amount reported under "Other Payments."*

Important Note:

A lobbyist employer must retroactively disclose in Section B payments made to a lobbying firm for initiative-related or legislative-related services (e.g. bill monitoring, drafting statutes) if, within one year of making such payments, the lobbyist employer authorizes the lobbying firm to lobby on the same or substantially the same matter. If the lobbyist employer had previously reported the payments as "Other Payments," the payments must be deducted from Section D and a note provided to indicate the amount of the deduction.

Part III Section E. Payments in Connection with Administrative Testimony in Ratemaking Proceedings Before the California Public Utilities Commission

Report payments made in connection with administrative testimony in PUC ratemaking or quasi-legislative proceedings in Section E, unless the payments are made to a lobbyist or lobbying firm.

PUC ratemaking and quasi-legislative proceedings are defined in Appendix 1 under "Administrative Action" and "Administrative Testimony."

Reporting payments made in connection with administrative testimony in PUC regulatory proceedings is limited to the following:

- Compensation paid to all attorneys (excluding lobbyists) for their time spent appearing as counsel and their time preparing the oral testimony.
- Compensation paid to all witnesses (excluding lobbyists) for their time spent testifying and their time preparing to testify.
- Payments made for "grass-roots" lobbying of the PUC, such as soliciting others to urge the PUC to act in a certain way.

No other in-house expenses or overhead in connection with administrative testimony before the PUC are reportable. However, payments in connection with direct communication outside the regulatory proceedings may be reportable.

Form 635 Part III, Section D and E	
D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION <input type="checkbox"/> NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.	
1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.)	\$ - 0 -
2. OTHER PAYMENTS	\$ 1,550
TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1.	\$ 1,550
E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.)	\$ 3,100

Questions and Answers

- Q. *Who may sign the Report of Lobbyist Employer, Form 635?*
- A. A responsible officer of the lobbyist employer/lobbying coalition or an attorney or certified public accountant who acts as an agent of the lobbyist employer/lobbying coalition may sign the Form 635.
- Q. *Must a lobbyist employer/lobbying coalition itemize the activity expenses incurred or paid by its lobbyist?*
- A. No. However, if a lobbyist arranges any payment incurred by a lobbyist employer/lobbying coalition that benefits a reportable person, both the employer and the lobbyist must itemize the expense.
- Example** *In-house lobbyist Sally Jones personally invites a legislator to attend a breakfast meeting with her supervisor. Sally will not be attending the meeting. For disclosure purposes, because Sally arranged for the event, she must disclose the activity expense on her Form 615. In addition, the activity expense must be itemized on her employer's Form 635. Because Sally arranged the meeting, the gift (e.g., food and beverage) may not exceed \$10.*
- Q. *How does a lobbyist employer/lobbying coalition retroactively report payments made to a lobbying firm for legislative-related or initiative-related services when the payments are made 12 months before the lobbying firm is authorized to lobby on behalf of the lobbyist employer/lobbying coalition?*
- A. On the first report covering the period the lobbying firm is authorized to lobby, the lobbyist employer must note in Part III, Section B the date the lobbying firm was authorized to lobby and identify the nature of the previous payments (e.g., legislative-related or initiative-related

services). If applicable, a note must indicate that the amount has been deducted from Section D, "Other Payments."

- Q. *If a lobbyist employer hires a lobbying firm and that lobbying firm subcontracts with another lobbying firm, does the lobbyist employer report the second lobbying firm on the Form 635?*
- A. No.
- Q. *If a lobbyist employer/lobbying coalition terminates all lobbying activity in the middle of a quarter, does the period covered on the statement continue through the end of the quarter?*
- A. No. The period covered on that statement ends on the date the lobbyist employer/lobbying coalition terminates all lobbying activity (e.g., lobbyist employer terminates on 2/15/05. The period covered would be 1/1/05 through 2/15/05.)

Governmental Agencies Reporting of "Other Payments to Influence Legislative or Administration Action," Form 640

State and local government agencies that qualify as lobbyist employers/lobbying coalitions or \$5,000 filers are subject to additional disclosure requirements and are required to include Form 640 with their quarterly lobbying reports (Form 635 or 645). Form 640 replaces Part III, Section D of Form 635 or Part II, Section B of Form 645.

State and local agencies are required to itemize payments of \$250 or more made during a calendar quarter for the following:

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- Goods or services, other than normal overhead, used by a lobbyist or used to support or assist a lobbyist in connection with his or her activities.
- Dues or similar payments to any organization, including a federation, trade, labor, or membership organization that is a lobbyist employer and makes expenditures equal to 10 percent of its total expenditures, or \$15,000 or more during any calendar quarter to lobby the State Legislature or state administrative agencies. When reporting dues or similar payments, report the entire amount of the dues payments made during the calendar quarter covered by the report. It is not necessary to determine what portion of the agency's dues payments were used by the organization for lobbying.

Quick TIP Dues or similar payments made to organizations need not be counted for purposes of determining if the agency qualifies as a lobbyist employer/lobbying or a \$5,000 filer unless the organization assesses dues or other payments specifically for lobbying activities.

- Any other expenses, other than normal overhead, which would not have been incurred but for the agency's lobbying activities.
 "Overhead" means payments for goods or services that one would normally think of as necessary to maintain an office, such as rent, utilities, janitorial services, etc.

Form 640 should not include payments to salaried lobbyists, lobbying firms, activity expenses incurred by the governmental agency, or payments made in connection with PUC lobbying activity.

Form 640		
For Use By: A state or local government agency that qualifies as a lobbyist employer or a \$5,000 filer. Refer to the instructions on the cover page before completing this attachment.		
Other Payments to Influence Legislative or Administrative Action:		
1. Total payments for overhead expenses related to lobbying activity. Report as a lump sum.	\$	500
2. Total payments to Lobbying Coalitions. Report as a lump sum. (Form 630 must be attached)	\$	0
3. Total payments of less than \$250 during the calendar quarter for lobbying activity (excluding overhead). Report as a lump sum.	\$	800
4. Total payments of more than \$250 during the calendar quarter for lobbying activity (excluding overhead). Such payments must be itemized below.	\$	250
5. Grand total of "Other Payments to Influence Legislative or Administrative Action." Also enter this total on the appropriate line of the Summary of Payments section on Page 1 of Form 635 or Form 645.	\$	1,550
<p>Itemize below payments of \$250 or more made during the quarter for lobbying activity. Provide the name and address of the payee, the amount paid during the quarter, and the cumulative amount paid to the payee since January 1 of the biennial legislative session covered by the report.</p> <p>Also itemize dues or similar payments of \$250 or more made to an organization that makes expenditures equal to 10% of its total expenditures or \$15,000 or more in a calendar quarter to influence legislative or administrative action. Provide the organization's name and address, the amount paid to the organization during the quarter, and the cumulative amount paid to the organization since January 1 of the biennial legislative session covered by the report.</p>		
Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1
League of California Cities 1400 K Street Sacramento, CA 95814	\$ 250	\$ 500
	\$	\$
Subtotal of all payments itemized above	\$ 250	
<input type="checkbox"/> If more space is needed, check box and attach continuation sheets.		

Questions and Answers

- Q. *Is a governmental agency required to include a Form 640 with its quarterly report if it does not make payments that have to be reported as "Other Payments to Influence" (Part III, Section D of Form 635 or Part II, Section B of Form 645)?*
- A. No. The Form 640 is not required as long as the agency clearly indicates on Form 635 or 645 (including the Summary of Payments Section on page 1) that no "other payments" were made during the quarter.
- Q. *Is a governmental agency required to itemize three separate payments totaling \$250 or more for travel arrangements (e.g., \$100 to a hotel, \$125 to a travel agency and \$25) for an employee to attend a legislative hearing on its Form 640?*
- A. No, because a single payment of \$250 was not made. However, if the employee paid for the expenses and the agency reimbursed the employee with a check for \$250 or more, the agency must itemize the payment on its Form 640.

- Q. *Is an association that is a lobbyist employer required to file Form 640 if its membership is comprised of governmental agencies?*
- A. No. Only governmental agencies that are lobbyist employers or \$5,000 filers are required to file the Form 640.
- Q. *Is a governmental agency required to report on its Form 640 the dues payments it makes on behalf of its employees who are members of associations that lobby (e.g., membership to the State Bar)?*
- A. No. Dues paid by a governmental agency for an employee's membership in an organization, whether or not the organization lobbies, are not reportable. Such payments are considered part of the employee's routine fringe benefits.
- Q. *Is a county required to file Form 640 if it makes dues payments to the California State Association of Counties (CSAC) but does not employ a lobbyist and does not make payments to a lobbying firm?*
- A. No. The county must first qualify as a lobbyist employer or a \$5,000 filer before it is required to itemize its dues payments on a Form 640.
- Q. *Is a governmental agency required to report a non-lobbyist employee's salary on its Form 640?*
- A. Only if the employee spends 10% or more of his or her compensated time in a calendar month on lobbying activity. This portion of the salary is considered overhead for purposes of disclosure on Form 640 and must be reported in "Other Payments" as a lump sum amount.

Compensation paid to an employee whose duties are solely clerical, manual, or are limited solely to the compilation of data or statistics is not required to be reported.

Lobbying Coalition-Related Attachments

Payments Received By Lobbying Coalitions, Form 635-C

A lobbying coalition must include a Form 635-C with its quarterly Form 635 to disclose payments received from members of the lobbying coalition. Each member of the coalition must be identified on each quarterly report even if the member has not made a payment during the quarter. If a member has not made a payment during a quarter, enter zero and the cumulative amount received since January 1 of the biennial legislative session.

Form 635-C		
Name of Lobbying Coalition: California Amateur Golfer's Association		
Name and Business Address of Coalition Members	Amount Received This Period	Cumulative Amount Received Since January 1 of Biennial Legislative Session
Lake County California Amateur Golfer's Association 200 10th Street Clearlake, CA 95422	\$ 250	\$ 500

Payments Made to Lobbying Coalitions, Form 630

Lobbyist employers that are members of a lobbying coalition must include Form 630 with their quarterly Form 635s to disclose payments made to the coalition. Reports must be filed for each calendar quarter even if no payment was made.

Form 630		
Name of Lobbying Firm or Lobbyist Employer Making Payments: Lake County California Amateur Golfer's Association		
Name and Business Address of Lobbying Coalition Receiving Payments	Amount Paid This Period	Cumulative Amount Paid Since January 1 of Biennial Legislative Session
California Amateur Golfer's Association 1106 East Branch Street Pismo Beach, CA 93420	\$ 250	\$ 500

Report of Person Spending \$5,000 or More to Influence Legislative or Administrative Action, Form 645

A person who does not employ a lobbyist or contract with a lobbying firm but makes payments totaling \$5,000 or more in a calendar quarter to influence legislative or administrative action must report activity for that calendar quarter on Form 645. Form 645 is not required to be filed for any quarter in which the person does not spend \$5,000. If a person's only expenses are activity expenses, they are not counted to determine the \$5,000 threshold.

Example *The Alliance of Healthcare Providers paid \$7,500 for newspaper advertisements urging voters to call their legislator for a 'yes' vote on AB 557. The Alliance is not a lobbyist employer. The Alliance must file a Form 645 and report \$7,500 under "Other Payments to Influence Legislative or Administrative Action."*

Form 645				
NAME OF FILER: Alliance of Healthcare Providers				
BUSINESS ADDRESS: (Number and Street)		(City)	(State)	(Zip Code)
1400 Wilshire Blvd., #3200		Los Angeles	CA	91007
TELEPHONE NUMBER		(213) 621-4400		
PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD (See instructions on reverse.)				
AB 557				
<input type="checkbox"/> If more space is needed, check box and attach continuation sheets.				
SUMMARY OF PAYMENTS THIS PERIOD				
A. Total Activity Expenses (Part II, Section A)		\$ 0		
B. Total Other Payments to Influence (Part II, Section B)		\$ 7,500		
Total (A + B above)		\$ 7,500		
C. Total Payments in Connection with PUC Activities (Part II, Section C)		\$ 0		
CAMPAIGN CONTRIBUTIONS: <input checked="" type="checkbox"/> Part III completed and attached <input type="checkbox"/> No campaign contributions made this period				

Amendment to Lobbying Disclosure Report, Form 690

Form 690 is used to amend information reported on Forms 615, 625, 630, 635, 635-C, 640, and 645. A separate Form 690 should be used for each report being amended. If further clarification is needed, include the appropriate revised pages of the form being amended to show changed information. Electronic filers must file a complete report when filing an amendment.

Form 690

(The information required must correspond to the information provided on the original report filed.)

- The following information amends the lobbying disclosure report Form No. 625 executed on 7/15/03 for the period 4/1/03 to 6/30/03.
(Mo. - Day - Year)
- Amended information affects items on Part(s) II Section(s) _____.
- Describe changes below.
For the city of Rolling Hills Estates, SB 480 was actively lobbied during the reporting period.

There is no deadline for filing a Form 690. However, all amendments should be filed as soon as practical.

The lobbyist must sign the verification if the amendment is in connection with a Form 615. Only the designated responsible officer of a lobbying firm can sign the verification when the amendment is in connection with a Form 625. In the case of an amendment filed by a lobbyist employer/lobbying coalition or \$5,000 filer, a responsible officer or an attorney or a certified public accountant who acts as an agent for the entity or organization may sign the verification.

Question and Answer

Q. *To amend a quarterly report that was filed both electronically and on paper, must a paper amendment be filed now that paper copies of electronically filed reports are no longer required?*

A. No. Only an electronic amendment is required for Forms 615, 625, 635, 645 and attachment forms.

Statutory and Regulatory References

Statutes

- 84309 *Transmittal of Campaign Contributions in State Office Buildings*
- 85702 *Contributions from Lobbyists*
- 86110 *Recordkeeping*
- 86111 *Activity Expense; Agency Official*
- 86112 *Activity Expenses; Reporting*
- 86113 *Periodic Reports; Lobbyists; Contents*
- 86114 *Periodic Reports; Lobbying*
- 86115 *Periodic Reports; Employers and Others*
- 86116 *Periodic Reports; Employers and Others; Contents*
- 86116.5 *Periodic Reports; State and Local Government Agencies*
- 86117 *Periodic Reports; Filing; Time*
- 86118 *Periodic Reports; Where to File*

Regulations

- 18572 *Lobbyist Contributions--Making a Contribution Defined.*
- 18610 *Lobbyist Accounting*
- 18611 *Lobbyist Reporting*
- 18612 *Accounting by Lobbying Firms*
- 18613 *Reporting by Lobbying Firms*
- 18614 *Payments for Lobbying Services*
- 18615 *Accounting by Lobbyist Employers and Persons Spending \$5,000 or More to Influence Legislative or Administrative Action*
- 18616 *Reports by Lobbyist Employers and Persons Spending \$5,000 or More to Influence Legislative or Administrative Action*
- 18616.4 *Reports by Lobbying Coalitions Which Are Lobbyist Employers; Reports by Members of Lobbying Coalitions*
- 18617 *Early Filing of Periodic Reports*